



TheCO-PILOT

Linking the Community & PILOTs of the Ayersville Schools

August 2006

www.ayersville.k12.oh.us

Phone – 419-395-1111

FROM THE DESK OF TOD A. HUG:

The beginning of the school year is quickly approaching. In this installment of the “Co-Pilot” you will find information concerning the opening of school and a continuation of previous newsletters concerning school funding. School funding is a complex issue that is tough to explain. I hope you will find the information in this newsletter useful. As always, if you have questions or concerns do not hesitate to call us.

Start Times

The first bell will ring at 8:10 a.m. Students will be tardy if they are not in class/homeroom by 8:12 a.m. as this will be when the tardy bell will ring. All students arriving prior to 8:00 a.m. will report to the cafeteria. Grades K-4 will be released at 3:10. Grades 5-8 will be released at 3:12 and high school bus riders will be released at 3:14, while those high school students who drive to school will not be released until 3:18 p.m., or after the buses have left the south parking lot.

Due to supervision issues, we ask that you do not drop off your children before 7:45 a.m. Contractually, our school day does not begin until 8:00 a.m. If you drop off your children too early, there is no supervision in the school buildings, except in the cafeteria. All students arriving between 7:45 a.m. and 8:00 a.m. must report to the cafeteria. Breakfast is served during this time.

Bus Routes

Once again, I am happy to report that there are very few changes from last year’s routes. We ask that you have your children ready a few minutes early the first two weeks of school so we can adjust routes accordingly.

We do have a new bus driver. The Board hired Mrs. Deanna Zimmerman to fill the position left vacant by the resignation of Lynette Mansfield. Mrs. Zimmerman is an experienced bus driver, having driven in the Central Local School District the past 9 years. She will be driving bus #4 and will be driving the route that Shirley Stevens drove last year. Mrs. Stevens will now be driving bus #8 which was Mrs. Mansfield’s route from last year.

Buses will continue to drop and load students in the back of the school. This alleviates mixing of cars with students and buses. **Only buses will be allowed in the rear of the school.** Due to the drop off in the morning behind the school, the playground will be off-limits. Elementary students arriving after 8:00 a.m. should report directly to the cafeteria or their classroom.

PERMANENT IMPROVEMENTS

Summer maintenance issues are well under way and/or have been completed for the summer. The district maintains the Permanent Improvement funds which can only be used for improvements and maintenance of the district’s buildings and grounds and the purchase of property with an estimated life of five years or more, such as desks, computer/technology purchases, etc....

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This summer we completely renovated the middle school foods lab and turned it into a middle school computer lab. This foods lab had not been used for its original purpose for a number of years. With the removal of the cabinetry and appliances this space is adequate for a computer lab.

Increased technology use by students has become a high priority. This space was needed in order for our middle school students to have access to computer technology. This new computer lab will have 30 computer stations and will enable our teachers to schedule time in the lab with their students throughout the school day.

Additionally, funds were expended this summer for the refurbishment of the grandstands at the track/football stadium. The frame was in need of sandblasting and painting. The wood planking has been replaced with aluminum. The bleachers are much safer for small children as now there is no way for a small child to fall under the bleachers from the seating area.

Finally, we have experienced continuing failure of domestic water pipes in the 1937 and 1952 additions, and we are in the process of replacing some of those pipes which are in complete disrepair. These pipes are the original, galvanized steel pipe that over the years have become completely clogged and are rusting through, causing leaks in the ceilings as well as very little pressure in the lines. Replacing this pipe is a very expensive task, as the new pipe must be laid above the existing ceiling, which is not easily accessible.

PI funds help us to maintain our facilities without having to use general fund money.

FACILITIES UPDATE

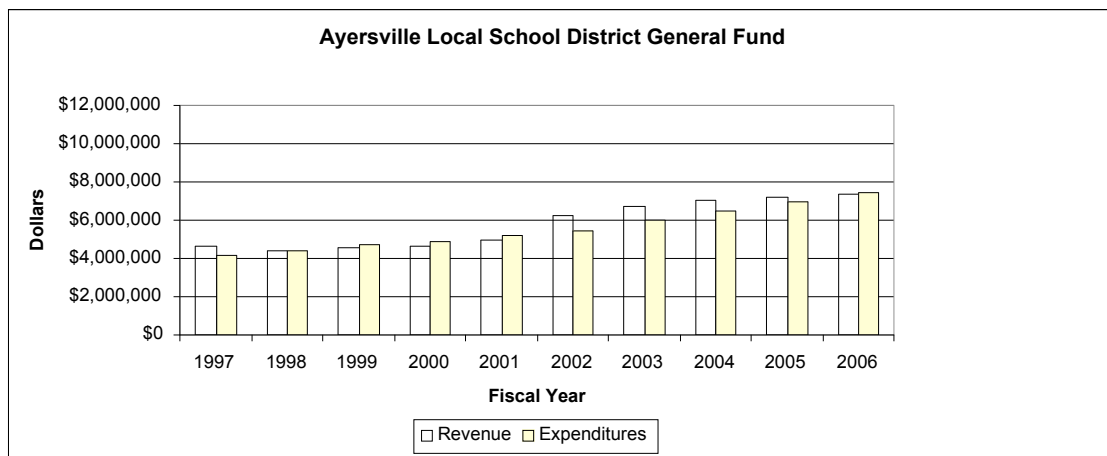
Garmann and Miller, the district’s architects are scheduled to attend the August Board of Education meeting to present information to the Board in response to the community engagement meeting held in April. The Board continues to research possible solutions with the architects concerning the construction and/or renovations of the district’s facilities.

As reported in local news sources, other county schools have been funded in this year’s budget cycle for Ohio School Facilities Commission (OSFC) sponsored building projects, i.e. Hicksville, Defiance, and Central Local. Due to the Ayersville Local School District’s valuation being higher than these districts, we are not yet eligible for OSFC funding. However, we must develop a master plan that is appropriate for our district. The community engagement process is designed to give the Board input into this endeavor.

DISTRICT FINANCES

At the July Board of Education Meeting, Connie Nicely, District Treasurer, provided a summary of the previous year’s revenue and expenditures. This past year, district expenditures exceeded revenues. This is not an uncommon occurrence with public school districts in Ohio.

Expenditures have risen at a faster pace than revenues (see graph). The reason we are now spending more than we are taking in is due to numerous factors.



EXPENDITURES

As with all other businesses, we too have been hit with increased costs in health insurance and personnel costs which generally is 80% of our expenditures. Schools continue to receive unfunded mandates from the state, which necessitate additional services and personnel to maintain these services. Additionally, special education costs have continued to rise and, as you surely know, fuel costs have also increased.

As you may recall from previous newsletters, we have sought ways to decrease expenses. We have reduced our teaching staff in recent years due to changes in programming, and we have reduced the number of bus routes from 9 to 7, saving fuel and mileage. All staff members agreed to decreased health insurance programming, and the district is involved with various public entities for group purchasing of insurance, electricity, workers compensation, and special education services.

REVENUES

Revenues are monies that the school receives from the collection of property taxes, enterprise zone agreements, and state foundation funding including open enrollment. There are various reasons why revenues have not kept pace with expenditures.

- State Revenue:

Due to a decrease in resident students and other changes in the state foundation formula, we have not had significant growth in our state foundation aid in recent years. Additionally, federal and state grant funding has also been reduced. This has necessitated the use of general fund revenues to provide the programming originally funded through these grants. On a positive note, we have been able to generate additional revenue through open enrollment.

- Local Revenue:

Generally speaking, revenue from real estate grows without increasing millage when new construction takes place within the boundaries of a school district. At this time we are not considered to be a high-growth district, thus limiting the increase of additional revenue that can be generated from significant real estate growth.

Due to the passage of House Bill 66 in July 2005, taxes generated from business personal property such as machinery and equipment, furniture and fixtures, and inventory, have begun to be phased out. The state has pledged to replace these phased-out dollars for the next four years. However, this change in our funding structure has greatly reduced our growth potential from this local tax source, and once the tax is completely phased out, (should the state not replace this source), the impact on our district will be even greater.

To summarize, the revenue stream has not been able to keep pace with the rising expenditures due to limitations on the tax base as well as state funding restraints. Voters approved the last levy requesting additional funding in November of 2000. All other levies since that time have not requested additional funding.

STRATEGIES FOR FUTURE FINANCIAL STABILITY

As we continue to monitor the financial health of the district, there will still be a reason to generate additional revenue at some point in the future. Historically, we have relied heavily on taxes generated from millage levied on personal property from our local industry. However, *the tax structure of our district is changing*. Due to the changes outlined above related to HB 66, reliance on personal property values to generate tax revenue will not be an option. Because of this, our district may need to take a serious look at additional voted millage or at other options, such as a school district income tax. An income tax has not been a favored option in the past due to our large industry base.

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AYERSVILLE LOCAL SCHOOL
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Organization
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POSTAL PATRON

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The traditional school district income tax uses the same income base that is used for the state income tax. With the passage of HB66, there is now an alternative type of school district income tax levy that generally is based on wage income and self-employment income and would exclude taxation on pensions. More information on school district income tax is available at:

http://tax.ohio.gov/divisions/tax_analysis/tax_data_series/school_district_data/documents/sditqa.pdf

With current legislative changes, future school levies across the state will potentially be larger and requested more often. As stated above, this is a common problem in our area and across the state. Locally, numerous school districts are requesting additional funding in upcoming elections. We will continue to make fiscally sound decisions as we work through these recent funding changes while continuing to provide the best possible services to the children of the school district.

If you would like more information, feel free to call Connie Nicely, Treasurer, or Tod Hug, Superintendent.